

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
MARCH 12, 2007

The regular weekly meeting of the Board of Commissioners of Public Utility District No. 1 of Clallam County was held at the Port Angeles Office, 2431 East Highway 101, on the above date commencing at 1:30 p.m.

Commissioners present were: Hugh Haffner, President; Hugh E. Simpson, Jr., Vice President; and W.E. Purser, Secretary

Staff present were: Doug Nass, General Manager; Ken Foster, District Auditor; Joshua Bunch, Treasurer Controller; Mike Kitz, Water & Wastewater Systems Superintendent; Roger Hosto, Operations Superintendent; Dave Proebstel, Chief Engineer; Fred Mitchell, Telecommunications & Power Resources Manager; Steve Schopfer, Information Services Manager; and Carol Biss, Executive Assistant.

Others present were: Ron Browning, Cindy Kelly, and Patti Morris.

On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the March 5, 2007 regular weekly meeting as submitted.

Mr. Ron Browning said he did not want fluoride in his water and thinks customers should have a say in the matter.

Telecommunications and Power Resources Manager Mitchell said there is a bill in the U.S. House of Representatives, the Salmon Planning Act, which proposes to do another study and consider removal of dams on the Snake River. The Commissioners reviewed a draft letter to Representative Norm Dicks and other elected officials from Washington State, urging them not to support this bill. Some of the reasons for opposition to the bill are that the dams provide a reliable and emission-free resource and that removal of the lower four Snake River Dams has already been researched and rejected several times. Given Initiative 937 and other similar renewable energy development mandates in the region, utilities are dependent upon the lower four Snake River dams to supplement renewable energy such as wind and solar. Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved sending letters to representatives and senators from Washington State.

Mr. Mitchell provided the Commissioners with a copy of the Spring 2007 issue of *Watts Green*, which will be mailed to customers with April bills.

A list of claim vouchers as certified by the General Manager and District Auditor was considered. On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved payment of claim vouchers in the amount of \$2,648,236.92 for March 12, 2007. District Auditor Foster reported that the claim vouchers included 1 rebate for conservation programs totaling \$734.00.

Commissioner Purser reported on a meeting at Nippon about the biomass project. The primary thing he brought from the meeting was that the pulp industry on the Peninsula is inter-related, and that any evaluation of a biomass project in this area should consider how the project would impact the entire Peninsula. He also reported on a Dungeness Water Work Group meeting. Representatives from the Department of Ecology informed the group that input from others is advisory, and DOE has the final say on instream flow rule making process. He discussed comments on the District's green power program, which was brought up at the Sequim Dungeness Chamber of Commerce meeting.

Commissioner Simpson reported on Washington PUD Association meetings in Olympia. The major focus of the meetings was the pole contact bill (SHB 1857). One of the reasons the WPUDA is opposed to the bill is that it would force PUDs to arbitrate disputes over pole attachments. After a short WPUDA Commissioners' Roundtable last Friday, Commissioners went to the Capitol Building to contact the legislators from their districts and encourage them to oppose this bill.

Chief Engineer Proebstel presented an update on outage management. A staff team was formed to evaluate outage management systems and make recommendations to improve the District's system and processes. Part of that process included site visits to other utilities to look at their outage management systems. He reviewed options for automated call systems and call centers. He discussed data recording, presentation, and automated meter infrastructure. The next step would be to seek a consulting engineer who would assist the District in providing engineering services for investigating, developing and recommending a plan for an outage management system. Upon recommendation of staff and on motion of Commissioner Haffner, the Commission approved staff sending out a request for qualifications for a consulting engineer to provide engineering services for an outage management system.

Water and Wastewater Systems Superintendent Kitz and Mr. Proebstel provided information on new construction statistics for 2006 for Water and Electric Systems and reviewed major projects completed in 2006 for each system.

General Manager Nass reported on progress at the Sequim office. The Commissioners agreed with staff's recommendation to request statements of qualifications for architectural services to study District facilities.

Mr. Nass reported on overhead to underground conversion of electric lines. Staff has compiled a list of areas that might benefit and will prepare an estimated cost. He also provided information from a report on a literature review and analysis of underground conversion for Florida Electric Utilities, by InfraSource Technology. He also reported on the Energy Expo and the workshop led by Utility Services Advisor Mattias Jarvegren.

Commissioner Purser noted that the Commissioners received a fax from three individuals about extending the Sequim sewer system to serve Carlsborg and applying for grants to fund the project.

Attendance at meetings was confirmed and approved.

The regular meeting recessed at 3:19 p.m. to go into executive session for personnel matters. The executive session adjourned at 3:50 p.m., and the regular meeting reconvened at that time.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission adopted Resolution 1833-07, amending the District's Healthcare Plan.

There being no further business to come before the Commission, the meeting adjourned at 3:52 p.m. to meet again, Monday, March 19, 2007, at 1:30 p.m. in the Port Angeles office.